



BIGG

Building Institutions for Good Governance

Work Plan

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Core Management and Budget Skills for Indonesian Local Governments

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I. Introduction

USAID/Indonesia's Building Institutions for Good Governance (BIGG) project was initiated in October 2000 by the International City/County Management Association (ICMA) to help local governments in Indonesia address the challenges and opportunities imbedded in the country's decentralization reforms. Although the move to decentralize major government functions created myriad operational issues for local governments, ICMA's efforts, through its Core Management and Budget Skills for Indonesian Local Governments task order, have targeted financial management challenges at the local levels of governance as well as in the key ministries responsible for finance and home affairs. The emphasis on helping local governments improve their performance-based budgeting and financial management skills has been based, in part, on the role these skills play in supporting improved democratic decision making, providing more efficient and effective delivery of community services, and increasing citizen participation.

The Papua Bird's Head Alliance Program, whose activities are described in detail in this work plan, provides ICMA with an opportunity to leverage its achievements under BIGG in providing direct assistance to improve local government financial management in this challenging decentralization environment. ICMA's commitment to creating excellence in local governments worldwide and our ability to combine the experience of local government practitioners, international consultants, and technical specialists have played an integral role in the success of our work with local governments throughout Indonesia. Since 2000, ICMA has learned which activities yield the best results. Lessons learned and the successful group learning methodology used elsewhere in Indonesia will be adapted to Papua to ensure that the training and technical assistance is tailored to meet the unique needs and challenges of kabupaten in the Bird's Head region.

Based on ICMA's assessments of three kabupaten in the Bird's Head region completed in February, May, and June 2003, we reached the following conclusions regarding the capacity of Sorong, Fakfak, and Manokwari to demonstrate enhanced financial management practices:

- High level of commitment (executive and legislative) in Sorong and Fakfak
- Equivalent human resource capacity in comparison with other areas in Indonesia
- Excessive bureaucracy in comparison with other areas in Indonesia
- Varied availability of strategic plans at the kabupaten and department levels.

ICMA anticipates, despite some of the challenges highlighted above, that the Papua program will achieve actual improvements in local government practices. Kabupaten Manokwari may not achieve the same level of success due to the lack of total commitment by the executive.

II. Assumptions

The improvements that the Papua program can achieve will be affected by the following assumptions, which provide a framework for the activities described in the work plan. ICMA recognizes that these assumptions may appear arbitrary, but they are necessary to define the parameters under which we will complete the deliverables of the Papua program.

No Change in Approach. This work plan for Papua continues the approach of the first two years in aiding Indonesian local governments with implementing performance-based budgeting. In the first two years of the BIGG project, we focused on going deep (or vertically) into a relatively small number of local governments and providing this small number with extensive on-site assistance.

More Limited Expectations of Success. The assessment and early activity in the three Papua kabupaten indicate a high level of commitment by Sorong and Fakfak; however, Kabupaten Manokwari lags behind the other two in overall commitment. This is particularly evident in the mid-level administrative staff, who would need to be very active in the hands-on implementation activities led by our technical assistance team. Based on the assessment and our activities to date, we would expect *relatively good results in two of the three selected kabupaten*. We will definitely endeavor to get good results from all three kabupaten, but we may not fully achieve them.

Travel and Communications Difficulties. Travel is definitely a problem in Papua. Each kabupaten has different issues, but scheduling will be an ongoing problem for all three. The accessibility of Manokwari and Sorong is relatively good, but travel to Fakfak is difficult at best, with regularly scheduled air and sea travel only once a week. This access could be greatly improved by the new services promised for the end of this year.

Telephone communications are extremely limited in some parts of Papua where we are working. In general, we are not able to establish local Internet connections. The only reliable means of connecting to the Internet is through infrared connections between our cell phones and computers. This situation very much limits our Internet capacity in Papua and will probably prevent us from providing Internet connections to our participating local governments in Papua.

III. Programs

This work plan is structured to be integrated and consistent with the programs planned for the main Core Management and Budget Skills for Indonesian Local Governments task order during the 16-month extension.

Program 1 Establish a cadre of local government consultants with a wide range of knowledge and skills to develop responsive, informed local government decision makers.

This cadre is called the Local Government Consulting Pool (LGCP), which consists of BIGG staff, specialists, and professionals from a broad range of institutional settings, including local governments, universities, central ministries, and local government associations. Two team leaders and three local coordinators from the Papua program will be added to the LGCP. These team leaders and local coordinators training and consulting activities will be delivered by and supported on an as-needed basis by other members of the LGCP.

Expected Program Results

- *The Papua team leaders and local coordinators will join the nucleus of a group of highly sought-after professionals—whether in the public or private sector—who are perceived as highly trained, and more importantly, extremely effective in furthering the democratization of Indonesia's local government.*

Activity 1.01 Train two team leaders and three local coordinators in various aspects of financial management and performance-based budgeting by including them in all of the training on materials and consultant training activities of the Task Order.

The training on materials and consultant training activities are delineated in the various activities of this work plan.

Program 2 Design and implement a delivery system for resource materials that uses a variety of models to optimize local resources and involves local government officials as active participants.

The strength of the Papua program is ICMA's ability to leverage the use of BIGG training and consulting materials and methods developed over the last two years. We will use the same materials and methods in Papua with minimum adaptation.

Expected Program Results

- *For the BIGG Papua staff to take on more significant roles in the program, especially in the implementation and adaptation of existing training and consulting materials and methods to meet the specific needs of the Papua local governments.*

Activity 2.01 Implement the "Year 2 Basic LGU" model in three kabupaten in Papua with minimum modifications as needed to meet Papua's unique local government conditions.

Based on the model used in Year 2, three LGUs will implement the basic BIGG Core Management and Budgeting model. Three local coordinators, working under the direction of two team leaders, will work with the new LGUs to help implement the concepts and develop the citizen participation plan, budget calendar and instructions, performance indicators, and performance budget for one focus area. The focus area will be selected from the following focus areas: Health, Transportation, and Public Works. Our target will be to obtain the four deliverables for at least two of the three kabupaten in Papua.

Program 3 Develop subject-focused training materials, publications, and management tools for financial management and staff development and use these to strengthen the core management and performance budget skills of local government officials in Papua, to support improved democratic decision making, to provide transparent and accountable financial management and budgeting systems, and to enable the more efficient and effective delivery of community services.

ICMA will leverage training materials and consulting and training models developed in the first two years of the BIGG project. These materials and models will require minimum adaptation for use in the Papua program.

Expected Program Results

- *The BIGG Core Management and Budgeting materials are used to introduce the concepts of performance-based budgeting, sound financial management principles, and basic elements of good governance to three Papua kabupaten.*

- *Local governments implement actual changes in their practices, such as involving the citizens in the budget decision-making process, developing performance indicators for departmental programs, and evaluating the current accounting code structure.*

The timeline and due dates, along with any sub-activities for the following activities, are shown in Annex A.

Activity 3.01 *Ensure scheduling coordination with delivery of the ABC performance budgeting K2K workshops in Year 3 BIGG partner LGUs with the three Papua partner kabupaten.*

Activity 3.02 *Deliver a one-day “National Conference” that includes three Papua partner LGUs for a minimum of nine person-training days.*

This one-day conference will provide opportunities to the three kabupaten from the Papua program to discuss issues related to implementing performance-based budgeting and promote interregional cooperation with Year 1, 2, and 3 partners in the Core Management and Budgeting Skills for Indonesian Local Governments task order.

9 person-training days = 3 LGUs x 3 persons

Activity 3.03 *Attend a one-day “Regional Conference,” for a minimum of three person-training days.*

Regional conferences provide an opportunity for all of the kota and kabupaten within a specific region of APEKSI (the urban areas association) to network with each other and for the central ministries to discuss issues related to performance-based budgeting.

3 person-training days = 1 regional conference x 3 participants

Activity 3.04 *Deliver “Year 2 Basic LGU” on-site consulting services for developing a Budget Calendar for the three partner LGUs.*

On-site consulting services consist of meeting with the technical team and other needed local government staff to provide day-to-day assistance with implementing performance-based budgeting in the local government unit.

There will be two on-site consultations for each deliverable (except the Performance-Based Budget for the focus area, which will require at least three on-site consultations, as described in Activity 3.10). With submission of the draft deliverable, the team leader will review the draft and suggest how to make improvements. The suggestions will be reviewed during the second consultation with the expectation of generating a final draft after the second consultation. This two-consultation approach will be used for the Budget Calendar, Public Involvement and Implementation Plan (PIIP) or Citizen Participation Plan (Activity 3.07), and the Budget Instructions (Activity 3.08).

Activity 3.05 Deliver three three-day “Training on Materials (ToMs) for the ABC workshop series” (based on the K2K model) for the two Papua team leaders and three local coordinators for 45 person-training days in conjunction with similar training for the K2K BIGG program.

This six-day three-part series provides a step-by-step approach to implementing performance-based budgeting.

45 person-training days = 3 workshops x 3 days x 5 persons

Activity 3.06 Deliver a two-day “Performance-Based Budget Assessment” workshop for the two Papua team leaders and three local coordinators in conjunction with similar training for the K2K BIGG program for 10 person-training days.

This two-day workshop’s primary focus is on how to assess the performance-based budget from a departmental, Mayor/Bupati, or legislative perspective. Special emphasis will be placed on developing technical analytical skills.

10 person-training days = 2 days x 5 persons

Activity 3.07 Deliver on-site consulting services for developing a Citizen Participation Plan for three partners.

On-site consulting services consist of meeting with the technical team and other needed local government staff to provide day-to-day assistance with implementing performance-based budgeting in the local government unit.

The PIIP or Citizen Participation plan will be developed through two consultations. The first on-site consultation will result in the draft PIIP. This will then be reviewed by the team leader, who will lead a second on-site consultation to revise the plan and develop the final draft of the PIIP.

Activity 3.08 Deliver on-site consulting services for developing Budget Instructions for three partners.

On-site consulting services consist of meeting with the technical team and other needed local government staff to provide day-to-day assistance with implementing performance-based budgeting in the local government unit.

The Budget Instructions (BI) will be developed through two consultations. The first on-site consultation will result in the draft BI. These will then be reviewed by the team leader, who will lead a second on-site consultation to revise the BI and develop the final draft.

Activity 3.09 Deliver the six-day “Year 2 Basic LGU PBB ABC” series for three partners with 24 participants for a minimum of 432 person-training days.

This six-day workshop will be delivered by team leaders/local coordinators. (Note: The workshop will be provided on-site for each of the three partner LGUs.) The Performance-Based Budgeting Reference manual will be passed out to each participant on the first day of the Series A Workshop.

432 person-training days = 6 days x 3 partners x 24 participants

Activity 3.10 Deliver on-site consulting services for developing Performance-Based Budgets for one focus area for three partners.

On-site consulting services consist of meeting with the technical team and other needed local government staff to provide day-to-day assistance with implementing performance-based budgeting in the local government unit.

The Performance-Based Budget (PBB) will be developed through three consultations. The first on-site consultation will result in the collection of necessary information to develop the PBB. The second consultation will result in the draft PBB. This will then be reviewed by the team leader, who will lead a third on-site consultation to revise the PBB and develop the final draft.

Activity 3.11 Deliver one four-day “Training on Materials (ToMs) for Performance Reporting” workshop for the two Papua team leaders and three local coordinators in conjunction with similar training for the K2K BIGG program for 20 person-training days.

One four-day session will be provided for the team leaders and local coordinators.

20 person-training days = 4 days x 5 persons

Activity 3.12 Deliver three two-day “Performance Reporting” workshops to “Year 2 Basic LGU” partners for 144 person-training days.

This two-day workshop will be delivered by team leaders/local coordinators to the three partner LGUs. (Note: The workshop will be provided individually for each of the three partners.)

144 person-training days = 3 LGUs x 2 days x 24 persons

Activity 3.13 Deliver a one-day “Good Governance” workshop for the two Papua team leaders and three local coordinators in conjunction with similar training for the K2K BIGG program for five person-training days.

This one-day workshop will be provided to the Core Consulting Team (team leaders, local coordinators, trainers, and local government association interns), Papua Core Consulting Team, and BIGG administrative staff and focuses on the importance of ethics in public administration. Materials will come from the Local Government Consulting Reference Manual.

5 person-training days = 1 day x 5 persons

Activity 3.14 Deliver a four-day “Consulting Strategies” workshop for the two Papua team leaders and three local coordinators in conjunction with similar training for the K2K BIGG program for a total of 20 person-training days.

This four-day workshop will be provided for the Core Consulting Team and Papua Core Consulting Team. Its primary focus is on the group process and technical skills required for consulting. Materials will come from the Local Government Consulting Reference Manual.

20 person-training days = 4 days x 5 persons

Activity 3.15 *Deliver a one-day “National Conference” in 2004 including three partner LGUs for a minimum of 15 person-training days.*

This one-day conference will provide opportunities for the Papua partner LGUs to interact with the Year 1, 2, and 3 partner LGUs to reflect on the progress made in implementing performance-based budgeting in local governments in Indonesia.

15 person-training days = 3 LGUs x 5 participants


Program 4 **Establish an organizational framework that can respond to local government needs and provide continuity of programs and services.**

Expected Program Results

- *Creates a sustainability model that can evolve participants’ knowledge over time as well as their awareness of their stakeholders’ needs.*

The timeline and due dates, along with any sub-activities for the following activities, are shown in Annex A. The continuum referenced in the following activity is provided in the following Sustainability Framework table.

Sustainability Framework

Sustainability Continuum	For LGUs (Receivers)	For Training Pool (Deliverers)	For Organizations (Institutional Memory)
Initial awareness 	Initial awareness; understanding the basic concepts	Initial awareness; understanding the basic concepts	Physically housing information as a repository
	Some interaction with outside sources or initial attempts from an outside source to guide; examples: providing a manual, one-time training workshop w/o follow-up	Guided training for building both process and technical training skills	Publication or dissemination of information through various communication vehicles such as reprints, Web site
	Deeper, more intense guidance from outside source working with LGU staff in on-site application, more hand holding, emphasis on application not theory	Actual field experience in a lead role to conduct training/consulting	Organizational capacity to use both human and fiscal resources in the delivery of a product such as training
	Application of concepts and tools from outside sources on their own but not yet a normal part of the LGUs’ activities	Independent trainer/consultant (independent of donor funds)	Organizational capacity to design, update, evolve, and upgrade products as a normal part of the organization’s activities
	Full institutionalization, in which the behavior becomes part of the organizational culture	Preparation for establishment of private or public consultancy	Peer transfer programs and direct consultancies with a deeper focus
Institutionalized behavior and ability to transfer knowledge and skills			

Activity 4.01 *Enable the three LGUs in the Papua program to move from their beginning point on the sustainability continuum to a basic understanding of PBB concepts.*

Annex A
Time Line with Specific Completion Dates